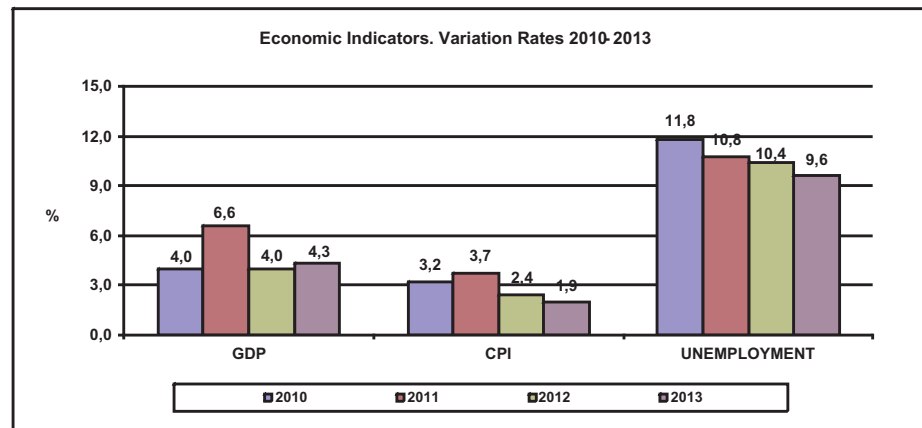


Shopping Centres in Colombia: Activity Report 2013

Economy:

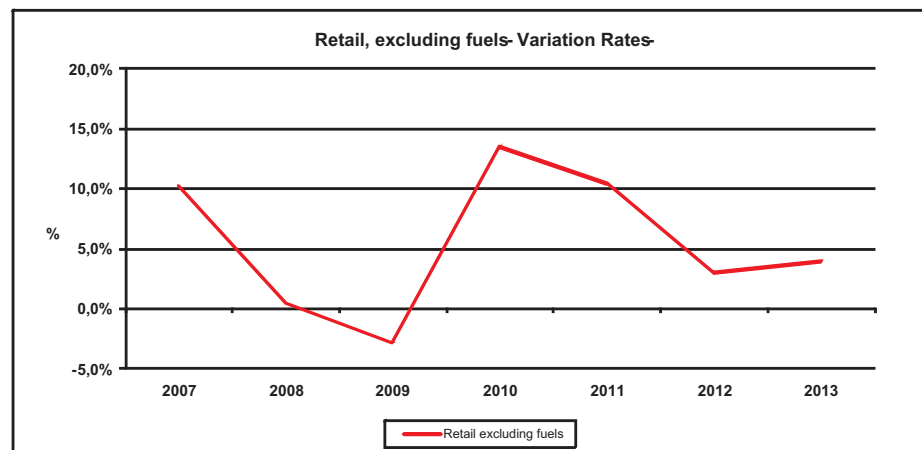
1. Colombia's **GDP** continues to grow above 4% yearly since 2010. The Colombian economy grew 4.3% in 2013, according to the National Statistics Administrative Department (DANE), which was below the goal set by the Colombian Government of 4.5% for the same year. Even so, it was above the estimations made by analysts which predicted an average growth of 4.1%. (see graph no.1)
2. The **inflation rate** has been decreasing since 2011 and it was 1.9% in 2013, according to the DANE, the lowest rate in the last fifty years in Colombia and one of the lowest in its entire history. In January 2014 it was already above 2%. (see graph no.1)
3. **Unemployment** has been consistently decreasing since 2010. The average **unemployment rate** in 2013 was 9.6%, according to the DANE, and in December 2013 it was 8.4%. (see graph no.1)
4. In 2013, the **Retail Index** (actual sales) grew by 4%, a larger rate than the year before (3%). Also, **employment associated with retail** grew 3.7%, although at an inferior rate when compared to the rate registered in 2012 (5.8%). (see graph no.2)
5. **Consumer Confidence Index** reached 23.2% in December 2013, according to the results of Fedesarrollo's Consumer Opinion Survey. This index is now at levels which are similar to 2012, and it has grown significantly since August 2013.

Graph no. 1: Economic Indicators



Source: DANE.

Graph no. 2: Retail



Source: DANE.

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Shopping Centre Development:

- The Shopping Centre Sector is currently one of the most dynamic sectors in the Colombian economy. In the last 10 years, according to the Colombian Association of Shopping Centres (Acecolombia), the country has gone from having 60 shopping centres in 2003 to 161 in 2012.
- In 2013, according to LaSBA's Data Bases, 384,600 sq m of new Gross Leasable Area (GLA) was inaugurated in Colombia. This area was divided between 349,080 sq m GLA (91%) for new shopping centres, and 35,520 sq m GLA (9%) for extensions of existing shopping centres. In total, there were 18 openings and 5 extensions. (see tables no.1 and no.2)

Table no. 1: Openings 2013

Shopping Centre	Location	Developer	GLA (sqm)	Opening
Parque Caracolí	Bucaramanga	Parque Arauco	40,000	April
Único Outlet Villavicencio	Villavicencio	Centro Comercial Único	12,000	April
Calima Armenia	Armenia	Arquitectos e Ingenieros Asociados / Proezas	24,500	May
Gran Plaza Florencia	Florencia	Conconcreto	14,400	May
Parque Comercial Florida	Medellín	Coninsa Ramón H	20,500	May
Gran Plaza del Sol	Soledad	Conconcreto	24,320	June
Micentro ElPorvenir	Bogotá	Pedro Gómez	8,350	July
El Puente	San Gil, Santander	Promoser	15,000	August
Nao Fun & Shopping	Cartagena	Espacios Urbanos y Desarrollo Inmobiliario	7,100	October
Américas Outlet Factory	Bogotá	Hernando Heredia Arquitectos	38,000	November
Élite	Cali	AIA	7,500	November
Mayales Plaza	Valledupar	Araújo & Segovia	16,000	November
Unicentro Yopal	Yopal	Pedro Gómez / Inacar	22,000	November
Zazué Plaza	Santa Marta	Ospinas	5,230	November
Buenavista	Montería	AS Construcciones	37,500	December
La Estación	Ibagué	Inversiones y Construcciones 79	36,680	December
San Gil Plaza	San Gil, Santander	Noriega Campiño	7,000	December
Unicentro Palmira	Palmira	Pedro Gómez / Inacar	13,000	December
TOTAL OPENINGS 2013		18	349,080	

Source: LaSBA. Shopping Centres with less than 5,000 sq m GLA are not considered.

Table no. 2: Extensions 2013

Shopping Centre	Location	Developer	Opening	GLA (sqm)		
				Extended	Initial	Total
Centro Mayor	Bogotá	Arquitectura & Concreto	April	6,620	102,000	108,620
Viva Sincelejo	Sincelejo	Grupo Éxito	April	8,900	11,000	19,900
Viva Barrancabermeja	Barrancabermeja	Grupo Éxito	May	2,600	7,000	9,600
Unicentro Cali	Cali	Pedro Gómez	September	15,500	54,800	70,300
Centro Andino	Bogotá	Pedro Gómez	October	1,900	18,560	20,460
TOTAL EXTENSIONS 2013		5		35,520	193,360	228,880

Source: LaSBA.

- According to Acecolombia, the cities of Colombia with the highest retail density are Medellín, with 172 sq m GLA / 1,000 inhabitants, Cali (168 sq m GLA / 1,000 inhab.) and Bogotá (152 sq m GLA / 1,000 inhab.). The average for the entire country is 75 sq m GLA / 1,000 inhabitants.
- In 2013, one particular tendency remained noticeable, the openings of small and medium shopping centres in smaller cities with respect to the large capitals. Five years ago only 16 of the country's cities had at least one shopping centre. Today, more than 40 cities have them.
- Adding the openings identified by LaSBA in 2013 to the shopping centres registered by Acecolombia until 2012, we reach the total amount of 179 shopping centres in Colombia by the end of 2013.
- For the next few years, the shopping centre sector should maintain its high rhythm of openings.
- There are almost twenty projects with an estimated inauguration for 2014, in several Colombian cities. Developers like **Marval**, **Pedro Gómez**, **Grupo Éxito**, **Conconcreto** and **Colpatria** will open more than one shopping centre in 2014.
- Among these planned projects, we should point out **Hontanar** in Chía, which will be the first development by **Cimento**, the new alliance between **Amarilo** and the Guatemalan **Spectrum**, **Plaza Bocagrande** in Cartagena by **Ospinas**, **Unicentro Girardot**, or **Gran Plaza Ipiales**.
- Extensions of existing shopping centres are also ongoing, and centres like **Gran Plaza Alcaraván**, **Outlet Único** in Cali, **Diverplaza** in Bogotá, or **Viva Villavicencio**, which refurbishes the former La Sabana S.C., will have their retail areas increased in 2014.



Parque Comercial Florida Medellín



Buenavista Montería



Unicentro Palmira Palmira



Calima Armenia Armenia



Centro Andino Bogotá

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Santafé Medellín



Cacique Bucaramanga



Ripley Centro Mayor, Bogotá



PriceSmart Cali



Starbucks

15. For the following years there are also many planned retail projects. Highlights include **Viva Envigado**, which could reach 150,000 sq m GLA, **Mall Plaza Manizales**, **La Estación Cali**, a **Metromall** in Bogotá by the Salvadoran **Grupo Roble**, or the **Costanera** project, developed by **Mario Hernández**, in Chía, which could become the largest shopping centre in Colombia.

Shopping Centres in Operation:

16. Shopping Centre sales in Colombia are growing. According to Acecolombia, annual sales in 2012 (the most recent data) surpassed 26 trillion 'pesos', after an amount in 2011 of more than 23 trillion 'pesos'.
17. Acecolombia's data shows that the shopping centre with the most sales in 2012 was **Santafé**, in Bogotá, with sales superior to one trillion 'pesos', followed by **Unicentro** (993 billion 'pesos') and **Plaza de las Américas** (883 billion 'pesos'), both also located at the country's capital.
18. Regarding affluences, according to the Media General Studies, by the Association for Media Investigation (AIMC), the most visited shopping centre in 2013 was **Centro Mayor**, in Bogotá, with 685,200 visitors per month.
19. Several Colombian shopping centres were recognised at the Latin American Shopping Centre Awards of 2013 by the ICSC (International Council of Shopping Centres): **Santafé de Medellín** received Gold Awards in three different categories - 'Cause Related Marketing', 'Sales Promotion & Events' and 'New Media';
20. The extension of the **Los Molinos S.C.** (Medellín) also received an ICSC Gold Award, in the category of 'Refurbishments and Extensions';
21. Finally, **Calima**, the shopping centre located in Bogotá, was given a Sustainability Gold Award in the category of 'New Developments'.
22. For the ICSC Awards of 2014, there are several Colombian shopping centres nominated for Development and Design Awards: **Titán Plaza** in Bogotá, **Cacique** in Bucaramanga, **Viva Laureles** in Medellín, and the **Único Outlets** in Pasto and Yumbo. The event will be carried out in Colombia for the first time ever, from 7 to 10 April, at the Convention Centre of Cartagena de Indias.
23. The **Unicentro Medellín S.C.** is under a refurbishment process. It seeks to improve the physical infrastructure and façade, the commercial area and the food court.

Information regarding Retailers:

24. Large international fashion brands continue to land in Colombia. **Forever 21** and **Gap** entered the country in late 2012 and opened their first stores, both at the **Titán Plaza** shopping centre.
25. The recent or upcoming arrival of prestigious brands - among them some luxury brands - like **Versace**, **Dolce & Gabbana**, **Tous**, **Cartier**, **Chanel**, **Burberry**, **Façonnable**, **Tissot**, **Bebe**, **Nara Camicie**, **Rockport**, **Frey Wille**, **Sbarro**, **Carolina Herrera** or **Taco Inn** has refreshed the supply, becoming quite noticeable on the retail allocation, particularly in high profile shopping centres.
26. During 2013, **Grupo Éxito** increased its sales area by 4.6%, with the opening of 60 new groceries units, 58 in Colombia and two of them in Uruguay.
27. **Falabella** wants to double the number of stores in Colombia. The goal of the Chilean company is to reach 30 department stores by 2018.
28. The Chilean department store chain **Ripley** returned to Colombia in 2013, after having been only temporarily in the country in 2006. They opened their first store at the **Cacique S.C.**, in Bucaramanga, and the following stores in Bogotá, at the **Calima S.C.** and **Centro Mayor**, respectively. The fourth store was inaugurated in 2014 with the extension of the **San Pedro Plaza S.C.**, in Neiva.
29. **Cencosud's** chain in the department store business, **París**, is preparing to enter Colombia. One of the possibilities managed by the Chilean company is the acquisition of the 6 units owned by the chain **La Polar**, which has already announced its departure from the country.

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30. By the end of 2014, Colombia will become the leading international market of **PriceSmart**, *ex aequo* with Costa Rica. With the announcement of the opening of three new megastores, which will be located in Pereira, Bogotá and Medellín, the American chain will have six units in the country.
31. **Easy**, the Home Improvement chain by **Cencosud**, opened four new stores (three in Bogotá and one in Medellín) and closed 2013 with nine units in Colombia.
32. The Portuguese group **Prebuild** announced the opening in Colombia of its store **Plenty** for DIY, decoration and home products. The first units will be located in Valle del Cauca, Antioquia and the Caribbean.
33. The Portuguese company **Jerónimo Martins** began operating in Colombia in March 2013 and opened more than 35 **Ara** supermarkets by the end of that year. Its expansion plans indicate that they will reach 150 supermarkets by the end of 2015.
34. **Aéropostale**, the youth and sports clothing brand, will open 15 stores in several Colombian cities during the next 5 years. Bucaramanga was the city chosen by the retailer to enter the country, and Bogotá will be next, with two units at the **Salitre Plaza S.C.** and at the **Centro Andino**.
35. **Bosi**, Colombian retailer of shoes and leather, is planning to open 15 stores in the main cities of Colombia, among which Bogotá, with four new stores, and Medellín, with three, are the highlights.
36. The Colombian chain **Panamericana**, which began 50 years ago as a stationery or book store and now has 35 units, has been extending its supply with technology, decoration and toys, becoming a true anchor.
37. **Starbucks** will open its first units in Colombia in 2014. The American coffee multinational expects to open a total of 50 stores within the next five years.
38. The Canadian restaurant chain **Freshii** arrived in Colombia and opened its first restaurant in Bogotá, located at the 12 # 93-08 street.
39. **Típicas Empanadas** opened 8 new units in 2013, which allowed them to start off 2014 with 74 establishments in the country. Among the new cities which welcomed their first store were Santa Marta and Armenia.
40. **Cine Colombia** reached 38 multi-plexes in Colombia at the end of 2013, after opening at **La Estación S.C.**, in Ibagué. Furthermore, they refurbished their multiplex at the **Buenavista S.C.**, in Barranquilla, and opened their third 'Mega Sala Cineco' there.
41. **Cinemark** opened 7 new multi-plexes in 2013, in Bogotá, Yopal, Bucaramanga, Montería, Florencia, Soledad and Palmira, at shopping centres inaugurated in those cities.
42. 4D Cinema arrived in Colombia in 2013, through the multinational **Cinépolis**. The first movie theatre of this sort opened at **Cinépolis'** multiplex located at the **Limonar Premier S.C.**, in Cali, and the second one at the multiplex of the **Calima S.C.**, in Bogotá.

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